Medicare losses with payments from other payors because of their high Medicare patient loads. With such low margins, Medicare dependent hospitals are faced with only two choices: either close or reduce services. In either case, the ultimate losers will be the Medicare beneficiaries these hospitals serve.

I urge my colleagues to support this legislation and ask that this bill and these remarks be inserted into the RECORD.

H.R.—

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Dependent Hospital Relief Act of 1995''.

SEC. 2. DEVELOPMENT OF SEPARATE APPLICABLE PERCENTAGE INCREASES FOR MEDICARE DEPENDENT HOSPITALS AND OTHER HOSPITALS BY THE PROSPECTIVE PAYMENT ASSESSMENT COMMISSION.

(a) DEVELOPMENT OF SEPARATE APPLICABLE PERCENTAGE INCREASES.—

(1) IN GENERAL.—The Prospective Payment Assessment Commission established under section 1886(e)(2) of the Social Security Act (42 U.S.C. 139ww(e)(2)) (in this section referred to as the ''Commission'') shall, in accordance with paragraph (2), develop for fiscal year 1997 and each fiscal year thereafter separate applicable percentage increases described in section 1886(b)(3)(B) of such Act (42 U.S.C. 1395ww(b)(3)(B)) for medicare dependent hospitals and subsection (d) hospitals which are not medicare dependent hospitals.

(2) EQUALIZATION OF MEDICARE MARGINS.—The Commission shall develop separate applicable percentage increases under paragraph (1) such that, if such factors were in effect, the estimated average annual medicare margins of all medicare dependent hospitals in furnishing inpatient hospital services to medicare beneficiaries in such fiscal year would be equal to the average annual medicare margins of all subsection (d) hospitals which are not medicare dependent hospitals in furnishing inpatient hospital services to medicare beneficiaries in such fiscal year.

BUDGET NEUTRALITY.—The Commission shall provide that the separate applicable percentage increases developed under paragraph (1) would, if in effect, not result in aggregate payments under section 1886 of the Social Security Act (42 U.S.C. 1395ww) to medicare dependent hospitals and subsection (d) hospitals which are not medicare dependent hospitals for the furnishing of inpatient hospital services in a fiscal year in excess of the aggregate payments under such section to such hospitals in such fiscal year if such factors were not in effect.

(b) REPORTS.—

(1) IN GENERAL.—Beginning in March 1996, the Commission shall, in each of the Commission's March reports to the Congress required under section 1886(e)(3) of the Social Security Act (42 U.S.C. 1395ww(e)(3)) include—

(A) the separate applicable percentage increases developed by the Commission under subsection (a)(1) for the upcoming fiscal year; and

(B) recommendations on methods to ensure that medicare beneficiaries who receive services furnished by medicare dependent hospitals have the same access and quality of care as medicare beneficiaries who are furnished services by subsection (d) hospitals which are not medicare dependent hospitals.

(2) ANNUAL REVIEW OF MEDICARE MARGINS.—The Commission shall develop the recommended methods under paragraph (1)(B) after annually reviewing the average medicare margins in medicare dependent hospitals and the impact of such medicare margins on the medicare dependent hospitals' overall profit margins.

SEC. 3. DEFINITIONS.

In this Act, the following definitions apply:

(1) MEDICARE BENEFICIARY.—The term ''medicare beneficiary'' means an individual who is entitled to benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.).

(2) MEDICARE DEPENDENT HOSPITAL.—The term ''medicare dependent hospital'' means any subsection (d) hospital—

(A) that is not classified as a sole community hospital under section 1886(d)(5)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(D)); and

(B) for which not less than 60 percent of its inpatient days were attributable to medicare beneficiaries during 2 of the last 3 preceding fiscal years for which data is available.

(3) MEDICARE MARGIN.—

(A) IN GENERAL.—The term ''medicare margin'' means for a fiscal year the ratio expressed as a percentage equal to—

(i) the difference between all medicare revenues paid to a hospital for the operating costs of inpatient hospital services in a fiscal year and all medicare program eligible expenses for such operating costs for such fiscal year (as shown by each hospital's HCFA 2552 report submitted annually to the Health Care Financing Administration); divided by

(ii) all medicare revenues paid to the hospital for the operating costs of inpatient hospital services for such fiscal year.

(B) OPERATING COSTS OF INPATIENT HOSPITAL SERVICES.—The term ''operating costs of inpatient hospital services'' has the meaning given such term in section 1886(a)(4) of the Social Security Act (42 U.S.C. 1395ww(a)(4)).

(4) SUBSECTION (d) HOSPITAL.—The term ''subsection (d) hospital'' has the meaning given such term in section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)).

IN RECOGNITION OF THE SUCCESSFUL PARTNERSHIP BETWEEN ANCHORAGE NEIGHBORHOOD HOUSING SERVICES AND THE NATIONAL BANK OF ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1995

Mr. YOUNG of Alaska. Mr. Speaker, I would like to congratulate both the Anchorage Neighborhood Housing Services and the National Bank of Alaska for being nationally recognized by the Social Compact in its 1995 Outstanding Community Investment Awards program for their partnership achievement: the rehabilitation of a historic downtown property into a mixed-use rental and retail development. ANHS and NBA were selected from over 160 applicants from across the country for their highly effective and innovative community investment strategies.

The project, known as the Loussac-Sogn Limited Partnership, marked a series of firsts in Anchorage: National Bank of Alaska [NBA] was the first financial institution in Alaska to purchase historic and low-income housing tax credits, Loussac-Sogn was the first housing built downtown since 1980, and it was the first limited partnership between a nonprofit and financial institution to provide for the housing needs of low-income individuals.

The shortage of affordable housing in Anchorage is critical. Significant increases in number of low- and moderate-income residents and a concurrent loss of almost 1,000 substandard housing units between 1988 and 1990 created the severe shortage. A decline in per capita income caused by a shift in the economy from oil-based jobs to service jobs also contributed to the problem. The affordable housing available in the Loussac-Sogn Single Rental Occupancy [SRO] building is helping alleviate the situation.

Located in Anchorage's downtown business district, this historically significant, 42,000 square foot art moderne structure was rehabilitated and preserved according to national historic standards. The building will be placed on the National Historic Register in 1996. It includes retail businesses on the ground floor and 52 renovated and furnished single room occupancy housing units on the upper floors. Residents, very-low income adults, will stay at Loussac-Sogn as the first step in a continuum of housing provided by Anchorage Neighborhood Housing Services [ANHS]. Support services, provided through a case management system, will also help the residents more successfully bridge a transitional period before finding permanent, independent housing.

The project could not have been completed without NBA's leadership and participation throughout the process. They assisted with the complex acquisition of the land and building. The bank convinced the landowner that the creation of low-income housing would be within its purpose as a charitable organization, and then they negotiated with the building's owners to settle litigation so that it could sell the property to ANHS at a reasonable price. NBA also provided funds in acquisition and renovation equity and a construction loan with $1.55 million in financing through the Alaska Housing Finance Corporation. The additional financing needed to complete Loussac-Sogn was obtained through taxable bond financing and grants from the local historic preservation nonprofit, the Neighborhood Reinvestment Corporation, and the Federal Home Loan Bank of Seattle. NBA also stepped in with needed support when ANHS assumed the role of general contractor in order to address unexpected hazardous materials abatement requirements.

The Loussac-Sogn SRO is an asset and enhancement of downtown Anchorage. The residents take an active part in the community and focus on particular problems such as crime prevention. Thanks to Loussac-Sogn, businesses have learned about the positive effects of low-income housing.

TRIBUTE TO JESS DAMESWORTH

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1995

Mr. LEVIN. Mr. Speaker, it has become widely accepted in our Nation that when people become unemployed through no fault of their own, there should be a bridge for them and their family until a return to remunerative work.

It took considerable effort to weave that principle into America's economic fabric and it has taken constant effort to maintain it.

Jess Damesworth has been in the center of that endeavor. As unemployment compensation director for the United Automobile Workers for over a decade, he has devoted his